

Ist Term Examination (7 September 2015)

Subject – ECONOMICS

Class XII (Comm/Hum)

(Set – B)

Time: 3 hrs.

M.M.100

- 1) *All questions are compulsory.*
- 2) *Marks are indicated against each question.*
- 3) *Calculator is not allowed.*

- Q1. With the help of a diagram, explain what will happen to PPC of Chattisgarh, if the state turns out to be highly techno-savvy? (1)
- Q2. Meenu is eating ice-creams & chips. The MU of last cup of ice-cream is 40 utils & of last packet of chips is 30 utils. The price of ice cream is Rs. 20 and chips Rs. 10. This means meenu will buy:
- a) More ice-cream, less chips
 - b) More chips, less ice-cream
 - c) Same quantity of both
 - d) Already at optimum level (1)
- Q3. If a consumer is indifferent towards combinations A & B, what does it imply? (1)
- Q4. What policy initiative can be taken to reduce the use of cold drinks in school? (1)
- Q5. Name the change shown in the diagram. (1)

Q6. As soon as MC starts rising, AVC also starts rising. True/False. (1)

Q7. In an economy without direct intervention of govt., how to reduce the supply of liquor.
(a) Rationed (b) Banned (c) Taxed (d) None (1)

Q8. In a monopoly form of market, a firm has _____ control over price because of _____. (1)

Q9. With same amount of resources, a farmer can feed the following combinations

| | Goats | Horses |
|------------------|--------------|---------------|
| Option I | 168 | 44 |
| Option II | 150 | 50 |

What is the opportunity cost of feeding one horse in terms of goats? (3)

- Q10. What do you mean by positive economics analysis? Give two examples of positive economic statements. (3)
- Q11. Explain the difference between normal goods and inferior goods. (3)
- Q12. Whether the new budget line will be steeper or flatter when price of both the commodities rise, but rise in price of commodity X is greater than rise in price of commodity Y. Show diagram. (3)
- Q13. As a result of high wage settlement in New York City due to taxi strike of several years, taxi owners increased the taxi fares. Was this a right decision from economic point of view? Explain. (3)
- Q14. Complete the table: (3)

| | | | | | |
|--------|----|---|---|---|----|
| Output | 1 | 2 | 3 | 4 | 5 |
| AR | 10 | - | 8 | - | - |
| MR | 10 | 8 | - | 0 | - |
| TR | 10 | - | - | - | 20 |

- Q15. What is price discrimination policy? In which form of market it is used? How does price discrimination be of any help to the society? (3)
- Q16. The market for audio cassettes have inverse supply & demand curve given by $P=2Q.S$ and $P=42 - Q.D.$ Calculate Equilibrium Price. (3)
- Q17. Explain any two properties of Indifference Curve. (4)
- Q18. A consumer buys 11 units of a good at a price of Rs. 10 per unit. He can buy 13 units of the same good by incurring the expenditure of Rs. 130. Calculate price Elasticity of demand by proportionate method. Also comment upon the shape of demand curve. (4)
- Q19. Complete the table: (4)

| | | | | | |
|---------------|---|----|----|----|----|
| Output | 1 | 2 | 3 | 4 | 5 |
| AFC | - | - | 20 | - | 12 |
| MC | - | 10 | 8 | - | 10 |
| TC | - | 82 | - | 99 | - |

- Q20. Give the meaning of producer's equilibrium. A producer produces that quantity of his product at which MC & MR are equal. Is he earning maximum profits? Give reasons. (4)
- Q21. Explain the implication of the following (4)
- (a) No close substitutes under monopoly
- (b) Homogeneous products under perfect competition

- Q22. Explain the difference between planned economy and market economy. (6)
- Q23. Explain consumer's equilibrium with the help of utility analysis under 2 commodities case. (6)
- Q24. Why more quantity is demanded at lesser price? (6)
- Q25. Explain the following:
(a) Break Even point
(b) Reasons of decreasing returns to factor (6)
- Q26. If the production is sought to be increased by increasing all the factors in long-run, what will be the impact on output? (6)
- Q27. Explain the Geometric method of calculating Elasticity of supply. (6)
- Q28. With more working women in Mumbai, the huge demand for automatic washing machines has led their prices soaring high in the market. Use diagram & economic theory to analyse the above statement. (6)
- Q29. "Govt. intervenes in the process of price determination through Price Floor" Explain through appropriate examples. (6)